

*The Chartered Institute  
of Loss Adjusters*

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# The Waste Sector

*Recycling the Lessons from Claims*

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# Overview – Harry Roberts

- Harry Roberts – Chairman – Introductions
- Paul McLarnon & Neil Beresford
  - Case Study: anaerobic digestion
  - Proximate Cause
  - MD/BI Coverage Issues
- Steven Nock
  - Stock/Materials in Trade and Debris Removal
  - The Maximum Indemnity Period

## **Coffee**

- John Glover
  - Providing a Claimant's perspective
- Damian Glynn
  - Business Interruption – Revenue Streams and their impact on the mechanics of BI cover
- Summary and Discussion

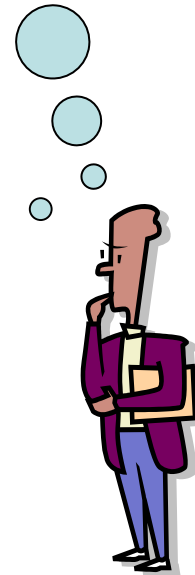
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# Stock – Asset or Liability?



# Stock – Asset or Liability?

- Of what value is it?
  - State and condition immediately pre-fire?
  - Cost?
  - Net realisable value?
- Debris Removal Cover?
  - Does it exist?
  - Is it adequate?

# Stock – Asset or Liability?

- Stock and/or Materials In Trade

“Stock”, not always defined, often regarded as something that is acquired for resale?

“Materials In Trade”, broader definition, which may be a better fit for some Recycling Businesses.

- Increased Costs of Working

Necessarily and reasonably incurred for the sole purpose of avoiding or reducing the loss of turnover that would otherwise occur.

ICW does not stand in the place of inadequate or absent material damage cover.

# Business Interruption - MIP

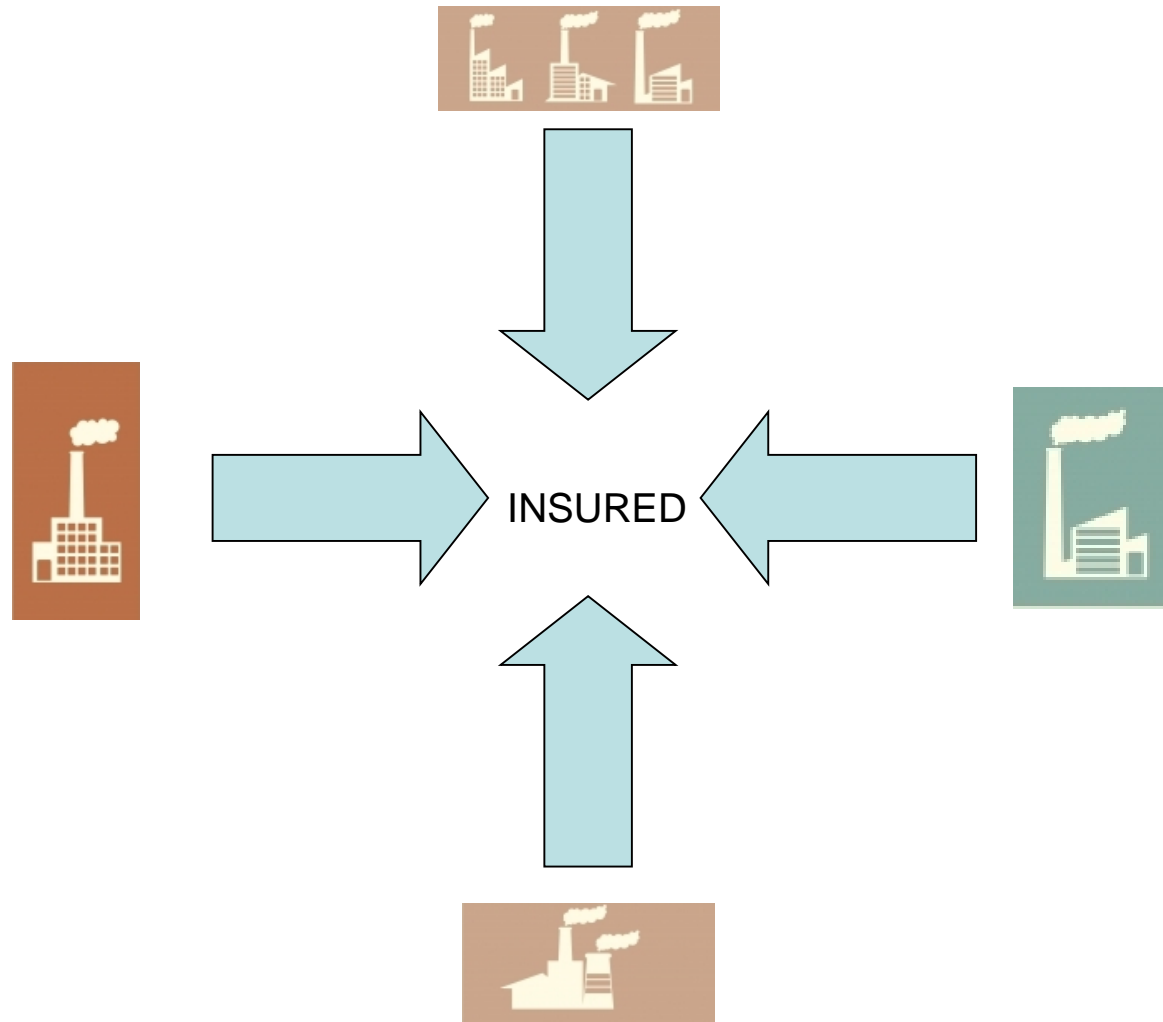
## Indemnity Period

“The period beginning with the occurrence of the Incident and ending not later than the Maximum Indemnity Period thereafter during which the results of the Business shall be affected in consequence thereof.”

We will consider particular influences that may impact upon the appropriate MIP that should be set, including:

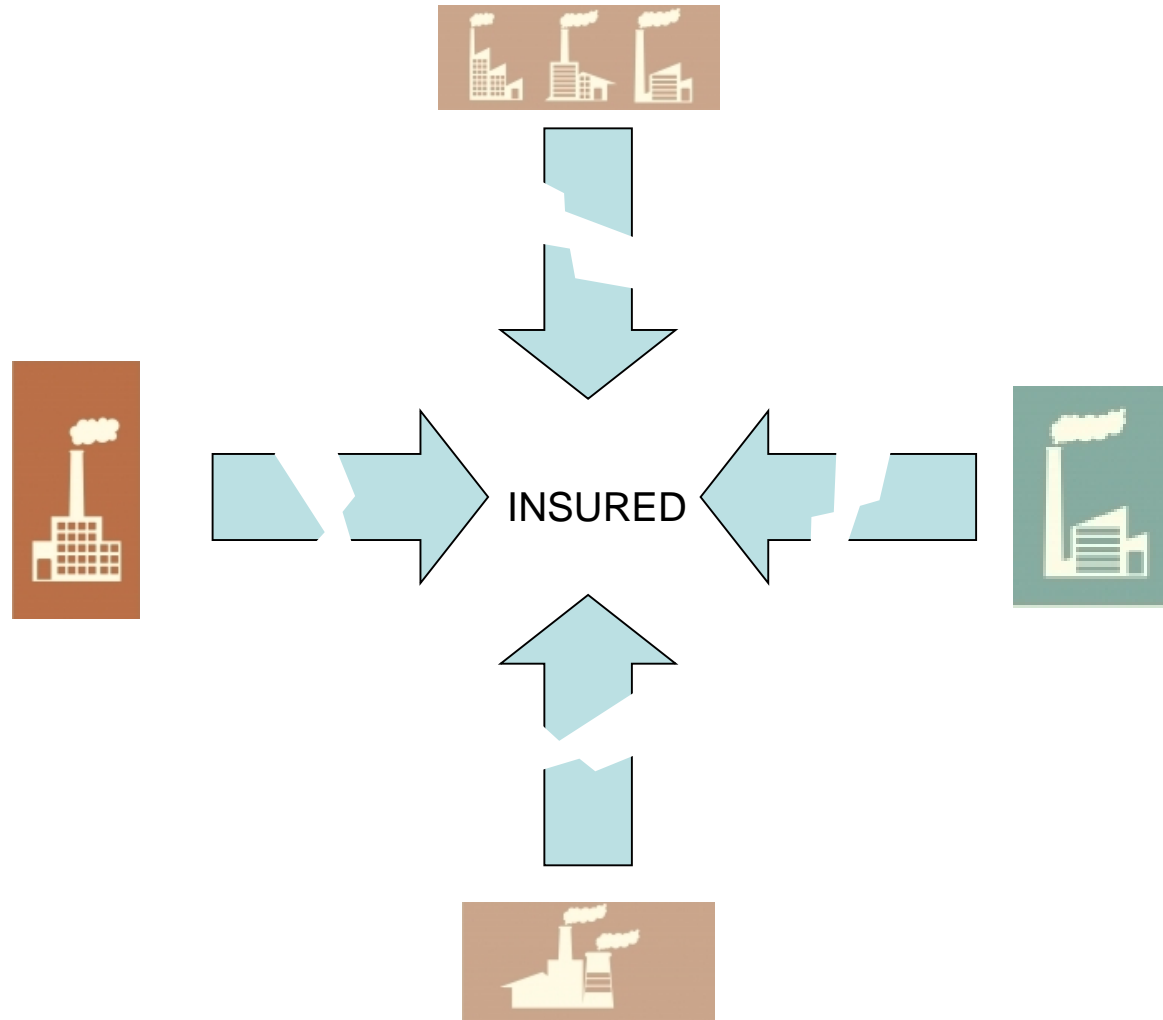
- Inputs
- Customers
- Plant and Machinery
- Environmental
- Other (including cover issues)

# MIP - Inputs

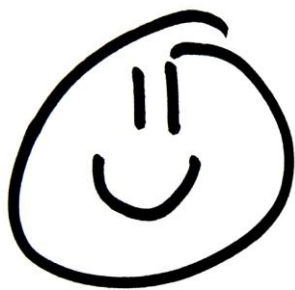




# MIP - Inputs



# MIP - Customers



# MIP – Plant and Machinery



# MIP - Environment

- Contamination
- Clean-up
- Location
- Licensing
- Pollution



## MIP - Other

- HSE Investigation
- Unavoidable modifications to P&M
- Policy response
- Landlord/ Tenant



Time is money

# Summary of Stock & MIP

## **Stock**

- Consider what is meant by stock and cover needed
- Properly assess cost of disposing of waste post loss

## **MIP**

- Understand drivers of the business performance
- Security of inputs
- Strength of customer / options to go elsewhere
- Consider obstacles to relocating/ temporary mitigation
- Time to replace and commission alternative equipment